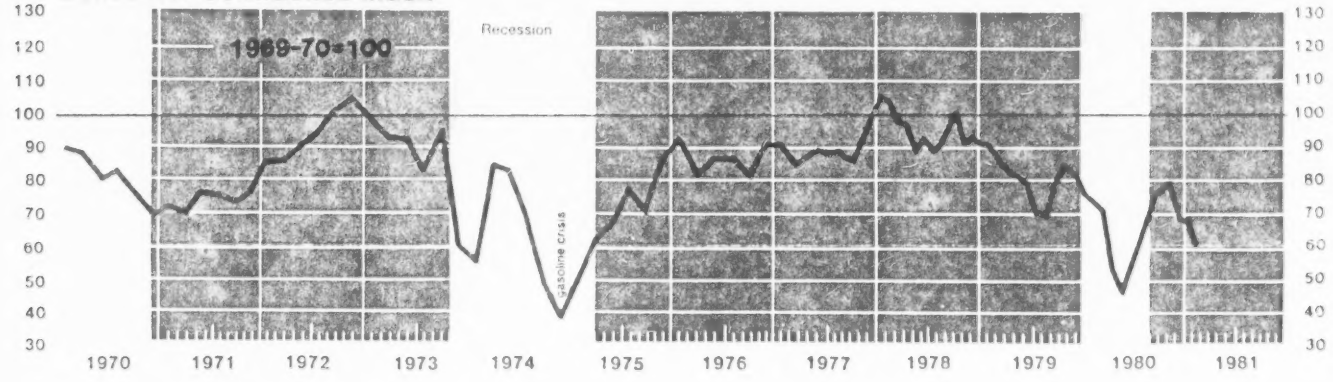
Consumer Attitudes and Buying Plans

A Monthly Report from The Conference Board

Based on a Survey Conducted by National Family Opinion, Inc.

March, 1981

Consumer Confidence Index



CONFIDENCE DOWN, BUYING PLANS MIXED

The latest message from the consumer is less than reassuring. The Board's confidence index (1969-70 = 100) now stands at 60.7, a drop of some 7 points compared with the prior month. Plans to spend have now been at the same level for three months.

Most of the recent erosion of optimism reflects a growing concern about the future. For the first time in many months respondents who expect business conditions to worsen outnumber those who believe they will improve. On the issue of job prospects pessimists outnumber optimists by more than two-to-one. Also, there has been a drop in those who believe that their personal incomes will rise in the period ahead. The current reading here, in fact, is lower than it has been in some months.

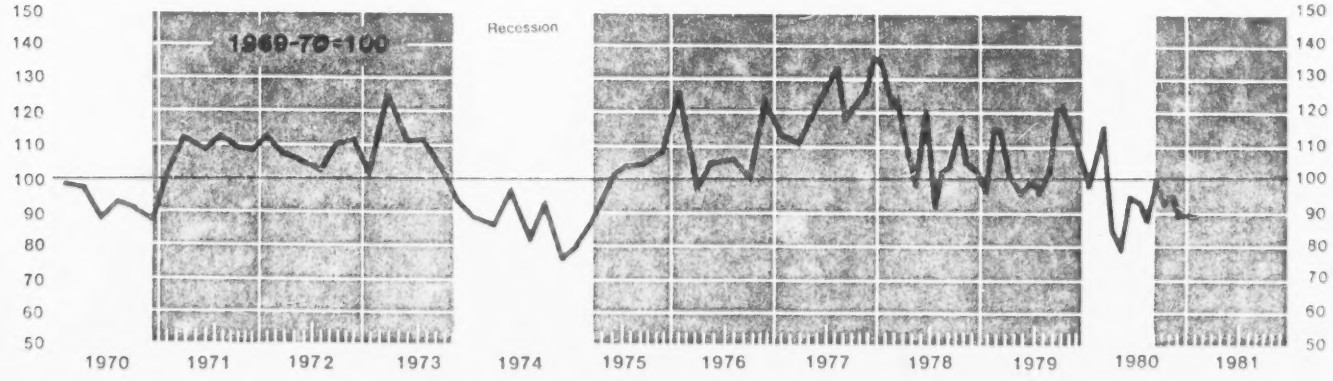
Consumers are also quite disenchanted with the current situation. More persons than last time believe that business conditions are "bad;" more complain that jobs are hard to get.

Plans to buy an automobile—new or used—were expressed by 6.9% of all respondents, down from 7.2% in the preceding month. This series is running well below year ago levels. Intentions to purchase a major appliance have also softened. Some 24% of those contacted expressed such an intent compared with slightly over 26% the month before. This series is also running well below last year. In the latest probe, the largest losses were registered for washing machines, clothes dryers and television sets—both black and white and color.

Intentions to buy a home registered a small gain. In the last study, 2.6% of all respondents said that they would purchase a home in the next six months—up from a prior 2.3 percent. Despite the recent upturn this series is substantially below the level registered last year at this time. Evidently this series is more affected by the cost of mortgage money than by consumers' sentiment at any particular moment.

Fabian Linden

Buying Plans Index



All data seasonally adjusted

Consumer Expectations and Intentions

Based on surveys conducted by National Family Opinion, Inc.
Percentage of all households

All series seasonally adjusted	1980 Feb.	Mar.	Apr.	May	June	July	Aug	Sept.	Oct.	Nov.	Dec.	1981 Jan.(r)	Feb.(p)
Composite Series: Index Numbers, 1969-1970 = 100													
Consumer Confidence Index	74.1	71.2	53.6	45.1	54.1	62.9	67.5	75.1	76.7	79.9	68.0	67.7	60.7
Present Situation	81.0	76.3	61.9	40.3	39.2	42.0	40.6	49.6	47.6	49.5	46.1	45.4	42.4
Expectations	69.5	67.8	48.1	48.3	64.0	76.9	85.4	92.1	96.1	100.1	82.7	82.5	72.9
Buying Plans Index	107.6	115.7	84.5	78.1	94.3	92.9	86.6	99.2	91.8	94.2	80.2	89.9	88.8
Appraisal of Present Situation: Percent													
Business Conditions													
Good	22.1	21.6	17.1	12.3	13.8	14.3	13.8	17.2	15.8	16.0	15.6	14.5	14.1
Bad	18.2	21.2	25.8	35.8	36.1	34.5	35.2	30.3	30.7	30.1	31.6	33.5	35.0
Normal	59.7	57.2	57.1	51.9	50.1	51.2	51.0	52.5	53.5	53.9	52.8	52.0	50.9
Employment													
Jobs plentiful	19.3	19.7	15.6	10.7	9.9	10.7	10.3	11.5	11.5	11.7	11.0	11.8	11.2
Jobs not so plentiful	52.6	49.9	52.5	50.7	47.4	47.7	47.8	49.1	49.0	50.9	49.2	49.4	47.3
Jobs hard to get	28.1	30.4	31.9	38.6	42.7	41.6	41.9	39.4	39.5	37.4	39.8	38.8	41.5
Expectations for Six Months Hence: Percent													
Business Conditions													
Better	13.3	13.2	9.5	10.6	16.3	19.2	21.6	24.3	22.4	24.9	19.7	19.6	17.5
Worse	22.4	24.3	39.2	36.2	29.7	20.9	19.0	14.7	13.6	11.3	16.9	17.5	21.0
Same	64.3	62.5	51.3	53.2	54.0	59.9	59.4	61.0	64.0	63.8	63.4	62.9	61.5
Employment													
More jobs	11.9	11.4	7.1	7.8	13.6	16.1	18.3	19.5	19.7	20.3	15.6	15.4	12.9
Fewer jobs	30.5	31.0	44.3	44.3	37.0	27.1	25.5	21.7	19.5	18.1	24.8	25.0	27.5
Same	57.6	57.6	48.6	47.9	49.4	56.8	56.2	58.8	60.8	61.6	59.6	59.6	59.6
Income													
Increase	33.3	34.1	29.9	24.9	30.2	28.3	33.0	31.8	31.9	31.9	30.5	32.0	27.9
Decrease	7.6	7.7	11.4	12.1	11.7	10.5	8.0	9.4	6.8	7.6	8.7	8.4	9.8
Same	59.1	58.2	58.7	63.0	58.1	61.2	59.0	58.8	61.3	60.5	60.8	59.6	62.3
Plans to Buy Within Six Months: Percent													
Automobile													
Yes	8.2	9.4	6.1	6.1	6.9	7.0	6.2	7.4	6.7	7.2	6.7	7.2	6.9
New	4.9	5.1	3.4	3.1	3.9	3.3	3.0	4.2	3.7	3.8	3.3	3.5	3.3
Used	2.8	3.9	2.3	2.7	2.7	3.4	2.6	2.8	2.7	3.3	3.4	3.4	3.2
Uncertain	0.5	0.4	0.4	0.3	0.3	0.3	0.6	0.4	0.3	0.1	0	0.3	0.4
Home													
Yes	3.3	3.0	2.3	2.1	3.1	2.8	2.6	2.9	2.7	2.6	2.7	2.3	2.6
New	0.9	0.9	0.5	0.4	1.1	0.7	0.6	0.9	0.7	0.8	0.6	0.7	0.7
Lived in	1.5	1.5	1.2	1.2	1.2	1.5	1.1	1.2	1.3	1.1	1.4	1.1	1.5
Uncertain	0.9	0.6	0.6	0.5	0.8	0.6	0.9	0.8	0.7	0.7	0.7	0.5	0.4
Major appliances													
Total plans	28.9	31.7	26.5	21.8	24.8	26.1	26.0	28.9	25.8	27.5	25.5	26.3	23.9
Refrigerator	3.9	4.5	3.1	2.8	3.5	3.6	3.7	4.5	3.2	3.7	3.1	3.2	3.5
Washing machine	3.7	4.3	3.7	2.7	3.7	3.9	3.2	4.1	3.0	3.7	3.6	3.2	2.6
Black and white TV	1.6	1.5	1.5	1.0	1.3	1.0	1.6	1.5	1.3	1.4	1.3	1.1	0.9
Color TV	6.4	6.9	6.4	5.1	5.6	6.3	6.4	6.7	5.9	6.0	5.3	6.1	5.5
Vacuum cleaner	5.4	6.1	5.0	4.1	4.1	4.6	4.3	5.0	5.0	4.8	4.3	5.1	4.6
Range	2.9	3.2	2.2	2.2	2.3	2.3	2.7	3.0	2.4	2.5	3.1	3.1	2.5
Clothes dryer	3.2	3.4	3.1	2.6	2.8	2.8	2.7	2.8	3.0	3.1	2.9	2.9	2.3
Air conditioner	1.8	1.8	1.5	1.3	1.5	1.6	1.4	1.3	2.0	2.3	1.9	1.6	2.0
Carpet	10.0	12.0	9.0	9.2	9.7	8.3	8.9	10.3	10.9	9.6	9.5	8.0	8.3
Vacation Intended Within Six Months: Percent													
Vacation Intended	43.7		43.4		44.3		43.3		44.7		43.9		42.6
Destination													
Home state	10.7		10.3		10.7		10.9		11.0		11.3		10.4
Other states	29.8		30.0		29.9		28.9		31.0		29.8		29.1
Foreign country	4.3		3.9		4.3		4.6		4.1		4.2		3.2
Means of Travel													
Automobile	30.3		30.2		31.9		31.3		32.9		30.9		28.3
Airplane	13.3		13.5		12.4		11.5		11.8		12.3		12.6
Other	2.8		2.7		3.4		2.7		2.8		2.6		1.3

Note: All 1980 data have been adjusted to reflect that year's revised seasonal factors. (p)—preliminary (r)—revised

Please Note: In the interest of speeding the data contained in this publication to you, these series are now available on-line through The Conference Board Data Base. For more information, contact Linette Stein at (212) 759-0900.